



Ontario Specialty Contracting, Inc.

Environmental Remediation □ Demolition / Dismantlement

11/3/08

Mr. Robert Randazzo  
Delphi  
1000 Lexington Ave.  
Rochester, New York

RE: DIE CAST DEMOLITION

Dear Bob,

I would like to open a discussion with Delphi concerning the state of the current scrap market and our contract with Delphi for the Demolition and Decommissioning of the Aluminum Die Cast Plant.

As I am sure you are well aware that scrap market has been on a rapid decline since the award of this project. OSC has submitted multiple proposals for this project dating back to August 24, 2007, then again on January 31, 2008 (including an expanded scope of work and additional salvage value to Delphi based on the upswing in the scrap market), the third proposal was on June 16, 2008 in response to RFP #2008-HM66 which limited the scope of work from the second proposal but significantly increased the salvage value to Delphi based on the scrap market, the fourth was in response to the first target price proposed by Delphi in which OSC was able to cut or base costs on the work and increase the salvage revenue to Delphi directly increasing OSC's risk of return on salvage value, the fifth proposal was again in response to a Delphi proposed target value in which OSC increased the salvage value to Delphi again raising our risk of return in order to secure the work. OSC provided Delphi with detailed information regarding the salvage value of the work and discussed OSC's expected market risk for the scrap. (Spreadsheets attached)

Since the award the value of the expected salvage materials has dropped from \$1,326,850 to \$378,110.

OSC values our relationship with Delphi as a client, and is committed to complete this project safety, and successfully. However, what we cannot do is complete the project under the current financial agreement, which requires us to pay Delphi for assets which no longer have a representative value.

OSC has continually worked with the onsite Delphi team to overcome the unforeseen obstacles present at the project (additional asbestos roofing material, air gapping of utilities, uncertainty of relocation of utilities, coordination with Delphi operations).

We therefore are requesting a meeting with Delphi to look at alternative options to complete the project which limits both parties risk during this period of instability in the commodity market.

Please contact me at your earliest convenience to set up a meeting with the appropriate parties.

Sincerely,

*PETER M. HARTUNG Jr.*

Peter M. Hartung Jr., P.E.  
Sr. Project Manager  
Ontario Specialty Contracting

ONTARIO SPECIALTY CONTRACTING  
DELPHI DEMOLITION SCRAP BREAKDOWN  
6/28/2008

Ferrous Metals		Estimated Quantity (GT)	Price at Scrap Yard	Total Scrap Value	Value to Delphi Price / GT	Total value	Preparation Fee	Value to OSC Price / GT	Total value
Prepared Plate & Structural		1080	\$ 450.00	\$ 486,000.00	\$ 390.00	\$ 421,200.00	\$ 35.00	\$ 25.00	\$ 27,000.00
Unprepared - Miscellaneous		1620	\$ 410.00	\$ 664,200.00	\$ 365.00	\$ 591,300.00	\$ -	\$ 45.00	\$ 72,900.00
Total		2700	\$ 426.00	\$ 1,150,200.00	\$ 375.00	\$ 1,012,500.00	\$ -	\$ 37.00	\$ 99,900.00

Non - Ferrous Metals		Estimated Quantity (lbs)	Price at Scrap Yard	Total Scrap Value	Value to Delphi Price / lbs	Total value	Preparation Fee	Value to OSC Price / lbs	Total value
# 1 Copper		9500	\$ 2.85	\$ 27,075.00	\$ 2.50	\$ 23,750.00	\$ 0.10	\$ 0.25	\$ 2,375.00
# 2 Copper		25000	\$ 2.45	\$ 61,250.00	\$ 2.15	\$ 53,750.00	\$ 0.12	\$ 0.18	\$ 4,500.00
Miscellaneous Wire		33000	\$ 2.00	\$ 88,325.00	\$ 1.75	\$ 57,750.00	\$ -	\$ 0.25	\$ 6,875.00
Total		67500	\$ 2.62	\$ 176,650.00	\$ 2.00	\$ 135,250.00	\$ -	\$ 0.20	\$ 13,750.00
				\$ 1,326,850.00	\$ 1,147,750.00		\$ 113,650.00		

ONTARIO SPECIALTY CONTRACTING  
DELPHI DEMOLITION SCRAP BREAKDOWN  
10/29/2008

Ferrous Metals		Estimated Quantity (GT)	Price at Scrap Yard	Total Scrap Value	Value to Delphi Price / GT	Total value	Preparation Fee	Value to OSC Price / GT	Total value
Prepared Plate & Structural		1080	\$ 150.00	\$ 162,000.00	\$ 390.00	\$ 421,200.00	\$ 35.00	\$ (215.00)	\$ (232,200.00)
Unprepared - Miscellaneous		1620	\$ 80.00	\$ 129,600.00	\$ 365.00	\$ 591,300.00	\$ -	\$ (240.00)	\$ (388,800.00)
Total		2700	\$ 108.00	\$ 291,600.00	\$ 375.00	\$ 1,012,500.00	\$ -	\$ (230.00)	\$ (621,000.00)

Non - Ferrous Metals		Estimated Quantity (lbs)	Price at Scrap Yard	Total Scrap Value	Value to Delphi Price / lbs	Total value	Preparation Fee	Value to OSC Price / lbs	Total value
# 1 Copper		9500	\$ 1.29	\$ 12,255.00	\$ 2.50	\$ 23,750.00	\$ 0.10	\$ (0.96)	\$ (9,120.00)
# 2 Copper		25000	\$ 1.24	\$ 31,000.00	\$ 2.15	\$ 53,750.00	\$ 0.12	\$ (0.73)	\$ (18,250.00)
Miscellaneous Wire		33000	\$ 0.70	\$ 43,255.00	\$ 1.75	\$ 57,750.00	\$ -	\$ (0.80)	\$ (27,370.00)
Total		67500	\$ 1.28	\$ 86,510.00	\$ 2.00	\$ 135,250.00	\$ -	\$ (0.81)	\$ (54,740.00)
				\$ 378,110.00	\$ 1,147,750.00		\$ (675,740.00)		